

**2018 Legislation of Interest
to County Auditors**

**State Association of County Auditors
Legislative Committee**

**2018 State Controller's Conference
with County Auditors**

SACA: Legislation of Interest to County Auditors
2018 SCO Conference with County Auditors

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2018 SCO Conference with County Auditors

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Bills Tracked by the SACA Legislative Committee

[AB 829: \(Chiu D\) Local government: funding: state-assisted projects.](#)

Chapter Number: 800

Status: 9/27/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 800, Statutes of 2018.

Is Urgency: N

Summary: Current law authorizes a local government to fund all or a part of a housing project or development. Existing law states legislative findings and declarations regarding the need for affordable housing and local authority to approve housing developments. This bill would prohibit the award, availability, or utilization of state assistance, as defined, for any housing development that is subject to a requirement as a threshold or condition for applying or being eligible for the award of any funding that the development proponent receive a letter of acknowledgment, letter of approval, or similar document from a legislative body of a local agency or from a member of a local legislative body.

Summary: Existing law authorizes a local government to fund all or a part of a housing project or development. Existing law states legislative findings and declarations regarding the need for affordable housing and local authority to approve housing developments. This bill would prohibit the award, availability, or utilization of state assistance, as defined, for any housing development that is subject to a requirement as a threshold or condition for applying or being eligible for the award of any funding that the development proponent receive a letter of acknowledgment, letter of approval, or similar document from a legislative body of a local agency or from a member of a local legislative body

Laws: An act to add Section 50204 to the Health and Safety Code, relating to local government.

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[AB 1547: \(Quirk-Silva D\) State finance: financing authorities.](#)

Chapter Number: 645

Status: 9/21/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 645, Statutes of 2018..

Is Urgency: Y

Summary: This bill would abolish the California Industrial Development Financing Advisory Commission, and would make conforming changes to that effect. The bill would also provide that “tax-exempt” for purposes of the California Industrial Development Financing Act includes that the interest on the bonds is otherwise entitled to any federal tax advantage.

Summary: (1) Existing law, the California Industrial Development Financing Act, authorizes cities, counties, cities and counties, and redevelopment agencies to establish industrial development authorities that are authorized to issue industrial development bonds, the proceeds of which may be used to fund capital projects of private enterprise under terms and conditions specified in the act. The act authorizes an authority to issue tax-exempt bonds, and defines “tax-exempt” for these purposes to mean that the interest on the bonds is excluded from gross income of the holders thereof for federal income tax purposes. The act establishes the California Industrial Development Financing Advisory Commission, and requires the commission to approve the issuance of industrial development bonds pursuant to these provisions. The act also authorizes the commission to carry out other specified powers related to the issuance of industrial development bonds, including authorizing the commission to act as a bond pooling agent and requires fees to be charged to cover the costs of the commission in carrying out these provisions. Existing law requires these fees to be deposited in the Industrial Development Fund, which is available, upon appropriation, to the commission for expenses. This bill would abolish the California Industrial Development Financing Advisory Commission, and would make conforming changes to that effect. The bill would also provide that “tax-exempt” for purposes of the act includes that the interest on the bonds is otherwise entitled to any federal tax advantage. The bill would transfer any moneys, including interest earned, in the Industrial Development Fund to the California Debt Limit Allocation Committee Fund, established in existing law, and appropriate those moneys to the California Pollution Control Financing Authority to reimburse this authority for its administrative costs related to the abolishment of the California Industrial Development Financing Advisory Commission, as specified, and also to the California Debt Limit Allocation Committee. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 91504, 91529, 91560, 91561.3, and 91561.5 of, to amend and renumber the heading of Article 4 (commencing with Section 91560) of Chapter 1 of Title 10 of, to repeal Sections 91531, 91532, 91561, and 91562.5 of, to repeal Article 3 (commencing with Section 91550) of Chapter 1 of Title 10 of, and to repeal Article 5 (commencing with Section 91570) of Chapter 1 of Title 10 of, the Government Code, to amend Sections 44559.13 and 44559.14 of the Health and Safety Code, and to amend Section 6010.8 of the Revenue and Taxation Code, relating to state finance, making an appropriation therefore, and declaring the urgency thereof, to take effect immediately.

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[AB 1741: \(Bonta D\) Cannabis: taxation: electronic funds transfer.](#)

Chapter Number: 228

Status: 8/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 228, Statutes of 2018.

Is Urgency: Y

Summary: The Sales and Use Tax Law authorizes, before January 1, 2022, a person issued a seller's permit for a place of business that is a dispensary, as defined in the Medical Cannabis Regulation and Safety Act, which was repealed, to remit amounts due for retail sales at the dispensary by a means other than electronic funds transfer. This bill, until January 1, 2022, would instead authorize a person licensed under MAUCRSA, whose estimated tax liability under that law averages \$10,000 or more per month, to remit amounts due by a means other than electronic funds transfer if the board deems it necessary to facilitate collection of amounts due.

Summary: The Control, Regulate and Tax Adult Use of Marijuana Act of 2016 (AUMA), an initiative measure enacted by the approval of Proposition 64 at the November 8, 2016, statewide general election, authorizes the consumption of nonmedicinal cannabis by persons over 21 years of age, referred to as adult-use cannabis, and provides for the licensure and regulation of certain commercial adult-use cannabis activities. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. This bill, until January 1, 2022, would instead authorize a person licensed under MAUCRSA, whose estimated tax liability under that law averages \$10,000 or more per month, to remit amounts due by a means other than electronic funds transfer if the board deems it necessary to facilitate collection of amounts due. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 6479.3 and 34013 of the Revenue and Taxation Code, relating to cannabis, and declaring the urgency thereof, to take effect immediately.

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[AB 1912: \(Rodriguez D\) Public employees' retirement: joint powers agreements: liability.](#)

Chapter Number: 909

Status: 9/29/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 909, Statutes of 2018.

Is Urgency: N

Summary: The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power. Under the act, if an agency is not one or more of the parties to the agreement but is a public entity, commission, or board constituted pursuant to the agreement, the debts, liabilities, and obligations of the agency are the debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise. This bill would specify that the parties to the joint powers agreement may not specify otherwise with respect to retirement liabilities of the agency if the agency contracts with a public retirement system, and would eliminate an authorization for a party to a joint powers agreement to separately contract or assume responsibilities for specific debts, liabilities, or obligations of the agency.

Summary: 1) Existing law establishes various public agency retirement systems, including, among others, the Public Employees' Retirement System, the State Teachers' Retirement System, the Judges' Retirement System II, and various county retirement systems pursuant to the County Employees Retirement Law of 1937. These systems provide defined pension benefits to public employees based on age, service credit, and amount of final compensation. Existing law authorizes a contracting agency, as defined, to terminate a contract under the Public Employees' Retirement System pursuant to specified procedures and authorizes the Board of Administration of the Public Employees' Retirement System to terminate a contract with a contracting agency under specified circumstances, including if a contracting agency fails to pay any installment of contributions into the Public Employees' Retirement Fund. This bill would specify that the parties to the joint powers agreement may not specify otherwise with respect to retirement liabilities of the agency if the agency contracts with a public retirement system, and would eliminate an authorization for a party to a joint powers agreement to separately contract or assume responsibilities for specific debts, liabilities, or obligations of the agency. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 6508.1 and 20575 of, to add Sections 6508.2 and 20574.1 to, and to repeal and add Section 20577.5 of, the Government Code, relating to public agencies, and making an appropriation therefor.

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[AB 1999: \(Chau D\) Local government: public broadband services.](#)

Chapter Number: 963

Status: 9/30/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 963, Statutes of 2018.

Is Urgency: N

Summary: Would expressly authorize a county service area to acquire, construct, improve, maintain, and operate broadband Internet access services, and would require a county service area that does so to take certain actions regarding the accessing of content on the Internet by end users of that service, as specified.

Summary: (1) The County Service Area Law authorizes a county service area to provide any governmental services and facilities within the county service area that the county is authorized to perform, and that the county does not perform to the same extent on a countywide basis, and expressly authorizes a county service area to provide specified services and facilities, including, among others, television translator services and low-power television services. This bill would expressly authorize a county service area to acquire, construct, improve, maintain, and operate broadband Internet access services, and would require a county service area that does so to take certain actions regarding the accessing of content on the Internet by end users of that service, as described below. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 25213, 53395.3.2, 53398.52, and 61100 of, and to add Article 12 (commencing with Section 53167) to Chapter 1 of Part 1 of Division 2 of Title 5 of, the Government Code, and to add Sections 10001.5, 12801.5, and 16461.10 to the Public Utilities Code, relating to local government..

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[AB 2035: \(Mullin D\) Affordable housing authorities.](#)

Chapter Number: 862

Status: 9/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 862, Statutes of 2018.

Is Urgency: N

Summary: Current law authorizes a city, county, or city and county to adopt a resolution creating an affordable housing authority with powers limited to providing low- and moderate-income housing and affordable workforce housing, as provided, by means of tax increment financing. Current law defines various terms for these purposes. This bill would additionally define the terms “authorizing resolution” and “property tax increment” for these purposes. The bill would additionally revise these provisions to limit the authority to providing low- and moderate-income housing and affordable housing, as specified.

Summary: Existing law authorizes a city, county, or city and county to adopt a resolution creating an affordable housing authority with powers limited to providing low- and moderate-income housing and affordable workforce housing, as provided, by means of tax increment financing. Existing law defines various terms for these purposes. This bill would additionally define the terms “authorizing resolution” and “property tax increment” for these purposes. The bill would additionally revise these provisions to limit the authority to providing low- and moderate-income housing and affordable housing, as specified. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 62250, 62251, 62252, 62253, 62254, and 62255 of, and to add Section 62261.1 to, the Government Code, relating to local government.

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[AB 2063: \(Aguiar-Curry D\) California Financing Law: PACE program administrators.](#)

Chapter Number: 813

Status: 9/27/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 813, Statutes of 2018.

Is Urgency: N

Summary: The CFL, commencing on January 1, 2019, requires a program administrator to establish and maintain a process for the enrollment, and for the cancellation of that enrollment, of a PACE solicitor and a PACE solicitor agent. The CFL defines the term “PACE solicitor” and “PACE solicitor agent” to not include specified persons. This bill would clarify that the term “PACE solicitor” and “PACE solicitor agent” does not include a person who only solicits a property owner to enter into an assessment contract with a person who is not considered a program administrator within the meaning of the CFL.

Summary: (1) Existing law, known commonly as the Property Assessed Clean Energy (PACE) program, authorizes a public agency, by making specified findings, to authorize public agency officials and property owners to enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently fixed to real property. This bill would clarify that the term “PACE solicitor” and “PACE solicitor agent” does not include a person who only solicits a property owner to enter into an assessment contract with a person who is not considered a program administrator within the meaning of the CFL. The bill would prohibit a person from engaging in the business of a PACE solicitor unless that person is enrolled with a program administrator. The bill would also require the program administrator to maintain the processes described above in a manner that is acceptable to the commissioner. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 22017, 22018, 22105, 22157, 22680, 22681, 22682, 22684, 22686, 22687, 22689, 22691, 22693, and 22716 of the Financial Code, and to amend Sections 5898.24 and 5913 of the Streets and Highways Code, relating to the Property Assessed Clean Energy program.

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[AB 2249: \(Cooley D\) Public contracts: local agencies: alternative procedure](#)

Chapter Number: 169

Status: 8/20/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 169, Statutes of 2018.

Is Urgency: N

Summary: The Uniform Public Construction Cost Accounting Act permits the governing body of a public agency, in the event all bids received for the performance of that public project are in excess of \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable. This bill would instead authorize public projects of \$60,000 or less to be performed by the employees of a public agency, authorize public projects of \$200,000 or less to be let to contract by informal procedures, and require public projects of more than \$200,000 to be let to contract by formal bidding procedures.

Summary: The Uniform Public Construction Cost Accounting Act authorizes a public agency, whose governing board has by resolution elected, to become subject to uniform construction cost accounting procedures. Existing law declares that these procedures promote statewide uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities. The act defines "public agency" as a city, county, city and county, including chartered cities and chartered counties, any special district, and any other agency of the state for the local performance of governmental or proprietary functions within limited boundaries, and also includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency. The act authorizes public projects of \$45,000 or less to be performed by the employees of a public agency, authorizes public projects of \$175,000 or less to be let to contract by informal procedures, and requires public projects of more than \$175,000 to be let to contract by formal bidding procedures. The act permits the governing body of a public agency, in the event all bids received for the performance of that public project are in excess of \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable. This bill would instead authorize public projects of \$60,000 or less to be performed by the employees of a public agency, authorize public projects of \$200,000 or less to be let to contract by informal procedures, and require public projects of more than \$200,000 to be let to contract by formal bidding procedures. The bill would permit the governing body of a public agency, in the event all bids received for the performance of that public project are in excess of \$200,000, to award the contract at \$212,500 or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 22020, 22032, and 22034 of the Public Contract Code, relating to public contracts.

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[AB 2329: \(Obernolte R\) Special districts: board of directors: compensation](#)

Chapter Number: 170

Status: 8/20/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 170, Statutes of 2018.

Is Urgency: N

Summary: Current law authorizes the board of trustees of a public cemetery district to approve an ordinance or resolution to compensate its members no more than \$100 to attend a board meeting, for no more than 4 meetings per month, and authorizes a public cemetery district board of trustees to increase that compensation by no more than 5% annually. This bill would authorize a public cemetery district board of trustees to compensate its members for no more than 6 meetings in a calendar month.

Summary: (1)Existing law authorizes the board of trustees of a public cemetery district to approve an ordinance or resolution to compensate its members no more than \$100 to attend a board meeting, for no more than 4 meetings per month, and authorizes a public cemetery district board of trustees to increase that compensation by no more than 5% annually. This bill would authorize a public cemetery district board of trustees to compensate its members for no more than 6 meetings in a calendar month. The bill would require the board of trustees, commencing January 1, 2019, if the district compensates its members for more than 4 meetings in a calendar month, to annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than 4 meetings per calendar month are necessary for the effective operation of the district. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 9031, 13857, and 32103 of the Health and Safety Code, to amend Sections 5536 and 5784.15 of the Public Resources Code, and to amend Section 22407 of the Public Utilities Code, relating to special districts.

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[AB 2350: \(Obernolte R\) Unclaimed property.](#)

Chapter Number: 390

Status: 9/14/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 390, Statutes of 2018.

Is Urgency: N

Summary: Would create in the Special Deposit Fund the Unclaimed Property Offset Account as a continuously appropriated fund for the payment of moneys to a state or local governmental entity to offset the moneys owed by a person claiming to be the owner of unclaimed property that has escheated to the state.

Summary: (1) Existing law provides for the escheat of property to the state. Existing law requires all property that escheats to the state to be deposited into the Abandoned Property Account in the Unclaimed Property Fund, which is continuously appropriated for specified purposes. Existing law establishes procedures for submitting a claim for property that has escheated. This bill would create in the Special Deposit Fund the Unclaimed Property Offset Account as a continuously appropriated fund for the payment of moneys to a state or local governmental entity to offset the moneys owed by a person claiming to be the owner of unclaimed property that has escheated to the state. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 1564.5 of the Code of Civil Procedure, and to add Section 16378 to the Government Code, relating to unclaimed property, and making an appropriation therefore.

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[AB 2458 \(Weber D\) Qualified special taxes: exemption: information.](#)

Chapter Number: 391

Status: 9/14/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 391, Statutes of 2018.

Is Urgency: N

Summary: Current law authorizes school districts to impose qualified special taxes, subject to specified constitutional and statutory provisions. Current law defines “qualified special taxes” for those purposes. Existing law authorizes a school district to enter into an agreement with the county to collect any special tax on behalf of the district. This bill would, commencing on January 1, 2020, require a school district that provides for an exemption from a qualified special tax as specified, and contracts or enters into an agreement with the county to collect the qualified special tax within the district, to annually provide specified information relating to that exemption to the county tax collector.

Summary: Existing law authorizes school districts to impose qualified special taxes, subject to specified constitutional and statutory provisions. Existing law defines “qualified special taxes” for those purposes as taxes that apply uniformly to all taxpayers or all real property within a school district but may provide for an exemption for persons who are 65 years of age or older, for persons receiving Supplemental Security Income for a disability, or for persons receiving Social Security Disability Insurance benefits, as specified. Existing law authorizes a school district to enter into an agreement with the county to collect any special tax on behalf of the district. This bill would, commencing on January 1, 2020, require a school district that provides for an exemption from a qualified special tax described above, and contracts or enters into an agreement with the county to collect the qualified special tax within the district, to annually provide specified information relating to that exemption to the county tax collector. The bill would require a county tax collector that receives that information to include a hyperlink, identified as “Parcel Tax Exemptions,” on the tax collector’s Internet Web site homepage to another location on the tax collector’s Internet Web site that contains the information submitted by the school district to the tax collector relating to that exemption, except as specified. The bill would, if a school district provides for an exemption from a qualified special tax and enters into an agreement with the county to collect the tax as described above, require a county tax collector to include on each county tax bill information indicating that school district parcel tax exemption information is available on the tax collector’s Internet Web site, except as specified. By imposing new duties on county officials relating to property tax administration, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Laws: An act to amend, repeal, and add Section 50079 to the Government Code, and to amend, repeal, and add Section 2611.6 to the Revenue and Taxation Code, relating to taxation.

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AB 2663 (Friedman D) Property taxation: change in ownership: exclusion: local registered domestic partners.

Chapter Number: 919

Status: 9/29/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 919, Statutes of 2018.

Is Urgency: Y

Summary: The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as, among other things, the appraised value of that real property when a change in ownership has occurred. Current law provides that specified transfers are not deemed a change in ownership, including any transfer between registered domestic partners, as provided. This bill would also exclude from the definition of "change in ownership" any transfer of property occurring on or after January 1, 2000, to June 26, 2015, inclusive, between local registered domestic partners, as defined.

Summary: The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as, among other things, the appraised value of that real property when a change in ownership has occurred. Existing law provides that specified transfers are not deemed a change in ownership, including any transfer between registered domestic partners, as provided. This bill would also exclude from the definition of "change in ownership" any transfer of property occurring on or after January 1, 2000, to June 26, 2015, inclusive, between local registered domestic partners, as defined. The bill would require any transferee whose property was reassessed in contravention of this provision to obtain a reversal of that reassessment upon application to the county assessor, as provided. The bill would authorize the county to charge a fee related to the application and reassessment reversal. The bill would require the State Board of Equalization to prescribe the form for claiming the reassessment reversal. The bill would require any reassessment reversal to apply commencing with the lien date of the assessment year in which the claim is filed. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 62 of the revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

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[AB 2746 \(Garcia, Eduardo D\) Taxation: tax-defaulted property sales.](#)

Chapter Number: 284

Status: 9/6/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 284, Statutes of 2018.

Is Urgency: N

Summary: Current law generally declares in default the taxes, assessments, and penalties on real property if those charges are not paid by a specified time. Current law requires the tax collector to attempt to sell property that has become tax defaulted 5 years or more after that property has become tax defaulted, and in the case of tax-defaulted property that is also subject to a nuisance abatement lien, 3 years or more after that property becomes tax defaulted, as specified. During these 3- and 5-year periods, existing law allows a taxpayer a right of redemption whereby the taxpayer may pay specified charges to remove the lien against the property. Current law specifies that this right of redemption terminates on the last business day prior to the date that the sale of the property begins and, if the tax collector approves a sale as a credit transaction and does not receive full payment on or before the date upon which the tax collector requires, the right of redemption is revived on the next business day following that date, as specified. This bill would specify that the commencement of the tax sale constitutes the actual sale date, regardless of the date of the conclusion of the auction.

Summary: Existing property tax law attaches, as a lien against property, taxes that are owed on that property. Existing law generally declares in default the taxes, assessments, and penalties on real property if those charges are not paid by a specified time. Existing law requires the tax collector to attempt to sell property that has become tax defaulted 5 years or more after that property has become tax defaulted, and in the case of tax-defaulted property that is also subject to a nuisance abatement lien, 3 years or more after that property becomes tax defaulted, as specified. During these 3- and 5-year periods, existing law allows a taxpayer a right of redemption whereby the taxpayer may pay specified charges to remove the lien against the property. Existing law specifies that this right of redemption terminates on the last business day prior to the date that the sale of the property begins and, if the tax collector approves a sale as a credit transaction and does not receive full payment on or before the date upon which the tax collector requires, the right of redemption is revived on the next business day following that date, as specified. Existing law also provides that the right of redemption is revived if the property is not sold. This bill would specify that the commencement of the tax sale constitutes the actual sale date, regardless of the date of the conclusion of the auction. The bill would provide that the taxpayer loses all rights in the property during the auction period for failure to redeem the property by the final redemption date. The bill would provide that if a property has not been redeemed, any person or entity with title of record to the property loses all rights in the property, including all legal and equitable interest therein, upon close of the redemption period. However, those rights return if the right of redemption is revived. The bill would specify that the provisions relating to the right of redemption do not affect the distribution of proceeds, as specified, and apply regardless of whether the tax collector or his or her designee conducts the tax sale in person.

Laws: An act to amend Section 3707 of the Revenue and Taxation Code, relating to taxation.

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[AB 2822 \(Obernolte R\) California State Auditor: high-risk local government agency audit program.](#)

Chapter Number: 498

Status: 9/18/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 498, Statutes of 2018.

Is Urgency: N

Summary: Current law authorizes the state auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that he or she identifies as at high risk for fraud or waste, among other things. Current law authorizes the auditor to consult with the Controller, Attorney General, and other state agencies that have oversight responsibilities over any local government agency to identify local governments that are at high risk. This bill would additionally authorize the California State Auditor to review publicly available information to identify local governments that are at high risk.

Summary: Existing law establishes the California State Auditor's Office, headed by the appointed California State Auditor and under the direction of the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, with specified duties that include, among others, conducting financial and performance audits as directed by statute. Existing law authorizes the auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that he or she identifies as at high risk for fraud or waste, among other things. Existing law authorizes the auditor to consult with the Controller, Attorney General, and other state agencies that have oversight responsibilities over any local government agency to identify local governments that are at high risk. This bill would additionally authorize the California State Auditor to review publicly available information to identify local governments that are at high risk. This bill contains other related provisions.

Laws: An act to amend Section 8546.10 of the Government Code, relating to state government.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[AB 2830: \(Reyes D\) County agencies: interns and student assistants: hiring preference](#)

Chapter Number: 878

Status: 9/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 878, Statutes of 2018.

Is Urgency: N

Summary: Current law requires state agencies, when hiring for internships and student assistant positions, to give preference to a qualified applicant who is, or has been, a dependent child in foster care, a homeless youth, or a formerly incarcerated youth. Current law requires the preference to be granted to applicants up to 26 years of age and requires county welfare departments, in connection with termination of dependency proceedings, to provide dependent children with information notifying them that they may be eligible for this preference. This bill would similarly require each county to develop a hiring preference program for disadvantaged groups, as defined, when hiring for internship and student assistant positions.

Summary: Existing law authorizes state and local agencies to establish procedures governing employment within their respective jurisdictions, subject to applicable civil service rules. Existing law requires state agencies, when hiring for internships and student assistant positions, to give preference to a qualified applicant who is, or has been, a dependent child in foster care, a homeless youth, or a formerly incarcerated youth. Existing law requires the preference to be granted to applicants up to 26 years of age and requires county welfare departments, in connection with termination of dependency proceedings, to provide dependent children with information notifying them that they may be eligible for this preference. This bill would similarly require each county to develop a hiring preference program for disadvantaged groups, as defined, when hiring for internship and student assistant positions. The bill would also require county welfare departments to notify dependent children, who are subject to termination of dependency proceedings, that they may be eligible for the program. By imposing new duties on counties, the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

Laws: An act to add Section 31000.11 to the Government Code, and to amend Section 391 of the Welfare and Institutions Code, relating to public employees.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[AB 3068: \(Daly D\) County government: contract legal counsel: auditor-controller.](#)

Chapter Number: 307

Status: 9/7/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 307, Statutes of 2018.

Is Urgency: N

Summary: Current law requires a county board of supervisors, upon request of the county assessor or sheriff, to contract with legal counsel to assist the assessor or sheriff with duties for which the district attorney or county counsel would have a conflict of interest in representing the assessor or sheriff. In the event the board of supervisors does not concur with the assessor or sheriff that a conflict of interest exists, existing law authorizes the county assessor or sheriff to initiate an ex parte proceeding before the presiding judge of the superior court, as provided. This bill would extend these provisions to additionally require the board of supervisors to contract with legal counsel to assist the auditor-controller, as described above.

Summary: (1)Existing law requires a county board of supervisors, upon request of the county assessor or sheriff, to contract with legal counsel to assist the assessor or sheriff with duties for which the district attorney or county counsel would have a conflict of interest in representing the assessor or sheriff. In the event the board of supervisors does not concur with the assessor or sheriff that a conflict of interest exists, existing law authorizes the county assessor or sheriff to initiate an ex parte proceeding before the presiding judge of the superior court, as provided. This bill would extend these provisions to additionally require the board of supervisors to contract with legal counsel to assist the auditor-controller, as described above. The bill would also, if the presiding judge determines that a conflict exists and the creation of an ethical wall within the county counsel's or district attorney's office is inappropriate, require the presiding judge to select the legal counsel that the board of supervisors employs for the assessor, auditor-controller, or sheriff, as provided. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 31000.6 of the Government Code, relating to local government.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[AB 3254: \(Committee on Local Government\) Local government organization: omnibus](#)

Chapter Number: 86

Status: 7/9/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 86, Statutes of 2018.

Is Urgency: N

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms “affected territory” and “inhabited territory.” This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term “uninhabited territory” for purposes of the Act.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law defines various terms for purposes of that Act, including the terms “affected territory” and “inhabited territory.” This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term “uninhabited territory” for purposes of the Act. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 56015, 56046, 56133.5, 56157, 56332, 56375, 56652, 56668, 56856.5, 57025, and 57026, of, to add Section 56079.5 to, and to amend and renumber Section 56880 of, the Government Code, relating to local government.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 481: \(Pan D\) Successor agencies: assets: disposal.](#)

Chapter Number: 506

Status: 9/18/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 506, Statutes of 2018.

Is Urgency: N

Summary: Would, until January 1, 2022, authorize the successor agency to the Redevelopment Agency of the County of Sacramento to dispose of a specified property previously used as the San Juan Hotel and Mobile Home Park for an amount less than fair market value, provided that the agency require that the property be used for housing affordable to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households and include an enforceable covenant to that effect.

Summary: Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, dispose of assets and properties of the former redevelopment agency as directed by the oversight board of the successor agency. Existing law requires a successor agency to dispose of specified assets and properties of the former redevelopment expeditiously and in a manner aimed at maximizing value. This bill would, until January 1, 2022, authorize the successor agency to the Redevelopment Agency of the County of Sacramento to dispose of a specified property previously used as the San Juan Hotel and Mobile Home Park for an amount less than fair market value, provided that the agency require that the property be used for housing affordable to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households and include an enforceable covenant to that effect. This bill contains other related provisions.

Laws: An act to add and repeal Section 34177.8 of the Health and Safety Code, relating to redevelopment.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 929: \(McGuire D\) Speical districts: Internet Web sites.](#)

Chapter Number: 408

Status: 9/14/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 408, Statutes of 2018.

Is Urgency: N

Summary: The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Internet Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for special districts, as specified. The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Internet Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Laws: An act to add Sections 6270.6 and 53087.8 to the Government Code, relating to special districts.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 961 \(Allen D\) Enhanced infrastructure financing districts.](#)

Chapter Number: 559

Status: 9/19/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 559, Statutes of 2018.

Is Urgency: N

Summary: Would enact the Second Neighborhood Infill Finance and Transit Improvements Act, which would similarly authorize a city, county, or city and county to adopt a resolution, at any time before or after the adoption of the infrastructure financing plan for an enhanced infrastructure financing district, to allocate tax revenues of that entity to the district, including revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or transactions and use taxes imposed in accordance with the Transactions and Use Tax Law, if the area to be financed is within one-half mile of a major transit stop, as specified, and, among other things, certain conditions relating to housing and the infrastructure financing plan are or will be met.

Summary: (1)Existing law establishes procedures for the formation of infrastructure financing districts, enhanced infrastructure financing districts, infrastructure and revitalization financing districts, and community revitalization and investment authorities, as specified, to undertake various economic development projects, including financing public facilities and infrastructure, affordable housing, and economic revitalization. Existing law authorizes the issuance of bonds for the funding of these purposes, and, in the case of an enhanced infrastructure financing district, requires voter approval, as specified, for the issuance of those bonds. Existing law, the Neighborhood Infill Finance and Transit Improvements Act, authorizes a city, county, or city and county to adopt a resolution, at any time before or after the adoption of the infrastructure financing plan for an enhanced infrastructure financing district, to allocate, under specified circumstances, tax revenues of that entity to the district, including revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or transactions and use taxes imposed in accordance with the Transactions and Use Tax Law. This bill would enact the Second Neighborhood Infill Finance and Transit Improvements Act, which would similarly authorize a city, county, or city and county to adopt a resolution, at any time before or after the adoption of the infrastructure financing plan for an enhanced infrastructure financing district, to allocate tax revenues of that entity to the district, including revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or transactions and use taxes imposed in accordance with the Transactions and Use Tax Law, if the area to be financed is within one-half mile of a major transit stop, as specified, and, among other things, certain conditions relating to housing and the infrastructure financing plan are or will be met. The bill would authorize bonds to be issued for the purposes of the Second Neighborhood Infill Finance and Transit Improvements Act without voter approval. The bill would require an enhanced infrastructure financing district utilizing these provisions to follow specific notice, protest, and election proceedings for the adoption of the infrastructure financing plan. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 53398.69 of, and to add Sections 53398.75.7 and 65040.15 to, the Government Code, relating to local government.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1087: \(Roth D\) PACE program: program administrators.](#)

Chapter Number: 798

Status: 9/27/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 798, Statutes of 2018.

Is Urgency: N

Summary: The California Financing Law (CFL) requires a program administrator who administers a PACE program on behalf of, and with the written consent of, a public agency to comply with specified requirements relating to the PACE program, including requiring, commencing on January 1, 2019, a program administrator to be licensed by the Commissioner of Business Oversight. Current law requires a program administrator, as of that date, to establish and maintain a process for the enrollment of, and the cancellation of that enrollment, a PACE solicitor and a PACE solicitor agent. This bill would require the program administrator to maintain the processes described above in writing.

Summary: (1) Existing law, known commonly as the Property Assessed Clean Energy (PACE) program, authorizes a public agency, by making specified findings, to authorize public agency officials and property owners to enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently fixed to real property. Existing law, the California Financing Law (CFL), requires a program administrator who administers a PACE program on behalf of, and with the written consent of, a public agency to comply with specified requirements relating to the PACE program, including requiring, commencing on January 1, 2019, a program administrator to be licensed by the Commissioner of Business Oversight. Existing law requires a program administrator, as of that date, to establish and maintain a process for the enrollment of, and the cancellation of that enrollment, a PACE solicitor and a PACE solicitor agent. This bill would require the program administrator to maintain the processes described above in writing.

Laws: An act to amend Sections 22105, 22680, 22681, 22682, 22684, 22685, 22687, 22688, 22689, 22690, 22693, 22694, and 22716 of, and to add Section 22690.5 to, the Financial Code, and to amend Section 5940 of the Streets and Highways Code, relating to the Property Assessed Clean Energy program.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1115: \(Hill D\) Property taxation: welfare exemption: low income housing.](#)

Chapter Number: 694

Status: 9/22/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 694, Statutes of 2018.

Is Urgency: N

Summary: Current law partially exempts from property taxation property used exclusively for rental housing and related facilities, if specified criteria are met, including, except in the case of a limited partnership in which the managing general partner is a nonprofit corporation eligible for the exemption, that 90% or more of the occupants of the property are lower income households whose rents do not exceed the rent limits prescribed by a specified law. Current law limits the total exemption amount allowed to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this criterion, to \$10,000,000 of tax. This bill would increase the total exemption amount allowed from \$10,000,000 to \$20,000,000 in assessed value with respect to lien dates occurring on and after January 1, 2019.

Summary: The California Constitution authorizes the Legislature to exempt from taxation, in whole or in part, property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Pursuant to this constitutional authority, existing law partially exempts from property taxation property used exclusively for rental housing and related facilities, if specified criteria are met, including, except in the case of a limited partnership in which the managing general partner is a nonprofit corporation eligible for the exemption, that 90% or more of the occupants of the property are lower income households whose rents do not exceed the rent limits prescribed by a specified law. Existing law limits the total exemption amount allowed to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this criterion, to \$10,000,000 of tax. This bill would increase the total exemption amount allowed from \$10,000,000 to \$20,000,000 in assessed value with respect to lien dates occurring on and after January 1, 2019. The bill would require any outstanding qualified ad valorem property tax in excess of the \$10,000,000 limitation, and related interest or penalty, which was levied or imposed on and after January 1, 2017, and before January 1, 2019, with respect to qualified property for which a qualified claim was filed, to be canceled to the extent that the amount canceled does not result in a total assessed value exemption amount in excess of \$20,000,000 being allowed to a qualified taxpayer with respect to a single property or multiple properties for any fiscal year. The bill would, on and after January 1, 2019, prohibit an escape assessment from being levied on qualified property if that amount would be subject to cancellation pursuant to this bill. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 214 of, and to add Section 214.19 to, the Revenue and Taxation Code, relating to taxation.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1130: \(Leyva D\) Property tax postponement: residential dwelling: manufactured homes.](#)

Chapter Number: 896

Status: 9/28/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 896, Statutes of 2018.

Is Urgency: N

Summary: Current law continuously appropriates revenues in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund for, among other things, disbursements relating to the postponement of property taxes pursuant to these laws. Current law authorizes the postponement of the payment of property taxes of a claimant who is the owner of a mobile home for loans established prior to February 20, 2009, pursuant to the Senior Citizens Mobile home Property Tax Postponement Law. This bill would expand the definition of a “residential dwelling” to include a manufactured home, thereby authorizing a claimant who is the owner of a manufactured home to postpone the payment of property taxes.

Summary: Existing law authorizes a claimant to file a claim with the Controller to postpone the payment of property taxes that are due on the residential dwelling of the claimant pursuant to the Senior Citizens and Disabled Citizens Property Tax Postponement Law, the Senior Citizens Tenant-Stockholder Property Tax Postponement Law, and the Senior Citizens Possessory Interest Holder Property Tax Postponement Law. Existing law, for purposes of these laws, defines a “residential dwelling” to mean a dwelling occupied as the principal place of residence of the claimant and owned by the claimant, the claimant and spouse, or by the claimant and another individual, as specified, including condominiums that are assessed as realty for local property tax purposes. Existing law continuously appropriates revenues in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund for, among other things, disbursements relating to the postponement of property taxes pursuant to these laws. Existing law authorizes the postponement of the payment of property taxes of a claimant who is the owner of a mobile home for loans established prior to February 20, 2009, pursuant to the Senior Citizens Mobile home Property Tax Postponement Law. This bill would expand the definition of a “residential dwelling” to include a manufactured home, thereby authorizing a claimant who is the owner of a manufactured home to postpone the payment of property taxes. The bill, on July 1, 2019, and on July 1 each year thereafter, would require up to 1% of the amount available in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund for disbursements relating to postponement of property taxes to be available for residential dwellings that are manufactured homes. Because this bill would provide for an additional category of expenditures from the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, a continuously appropriated fund, it would make an appropriation. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 16180, 16181, 16182, 16183, 16184, 16186, and 16192 of, and to repeal Article 4 (commencing with Section 16210) of Chapter 5 of Part 1 of Division 4 of Title 2 of, the Government Code, and to amend Sections 2514, 20503, 20505, 20583, 20585, 20586, 20640.2, and 20641 of, to add Section 20639.13 to, and to add Chapter 3.3 (commencing with Section 20639) to Part 10.5 of Division 2 of, the Revenue and Taxation Code, relating to manufactured homes, and making an appropriation therefor.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1145: \(Leyva D\) Enhanced infrastructure financing districts: maintenance.](#)

Chapter Number: 563

Status: 9/19/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 563, Statutes of 2018.

Is Urgency: N

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of community significance. Current law prohibits a district from financing routine maintenance and repair work. Current law authorizes the issuance of bonds for the funding of these purposes if approved by 55% of the voters voting on a proposal to issue the bonds. This bill, instead, would authorize a district to finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the district, but would prohibit the use of proceeds of bonds issued to finance maintenance of any kind.

Summary: Existing law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of community significance. Existing law authorizes a district to finance, among other things, the purchase, construction, expansion, or rehabilitation of property and related planning and design work. Existing law prohibits a district from financing routine maintenance and repair work. Existing law authorizes the issuance of bonds for the funding of these purposes if approved by 55% of the voters voting on a proposal to issue the bonds. This bill, instead, would authorize a district to finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the district, but would prohibit the use of proceeds of bonds issued to finance maintenance of any kind. This bill contains other related provisions.

Laws: An act to amend Section 53398.52 of the Government Code, relating to local government.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1244: \(Wieckowski D\) Public records: disclosure](#)

Chapter Number: 463

Status: 9/17/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 463, Statutes of 2018.

Is Urgency: N

Summary: The California Public Records Act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why he or she should not do so. The act requires the court to award court costs and reasonable attorney's fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the plaintiff's case is clearly frivolous. This bill would replace "plaintiff" with "requester" in that provision, would make conforming changes, and would specify that these provisions do not preclude the award of fees and costs pursuant to other provisions of law.

Summary: The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions. This bill would replace "plaintiff" with "requester" in that provision, would make conforming changes, and would specify that these provisions do not preclude the award of fees and costs pursuant to other provisions of law. This bill contains other existing laws.

Laws: An act to amend Section 6259 of the Government Code, relating to public records.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

SB 1246: (Gaines R) Property tax: claims for refund.

Chapter Number: 358

Status: 9/11/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 358, Statutes of 2018.

Is Urgency: N

Summary: Current property tax law requires property taxes to be refunded to the taxpayer or last recorded owner, as provided, under specified circumstances and requires that a refund only be made pursuant to a claim for refund. Current law requires the claim to be verified by the person who paid the tax, including his or her guardian, executor, or administrator. This bill would additionally provide for verification of a claim by the trustee of the person who paid the tax.

Summary: Existing property tax law requires property taxes to be refunded to the taxpayer or last recorded owner, as provided, under specified circumstances and requires that a refund only be made pursuant to a claim for refund. Existing law requires the claim to be verified by the person who paid the tax, including his or her guardian, executor, or administrator. This bill would additionally provide for verification of a claim by the trustee of the person who paid the tax. The bill would also authorize, pursuant to the board of supervisors of a county adopting a resolution or ordinance that so provides, a refund of property taxes or assessments without a verified claim if there has been no transfer of the property in the fiscal year that the taxes were levied and if the refund amount is less than \$5,000.

Laws: An act to amend Section 5097 of, and to add Section 5105 to, the Revenue and Taxation Code, relating to taxation.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1293 \(Lara D\) California State Auditor: high-risk local government agency audit program.](#)

Chapter Number: 515

Status: 9/18/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 515, Statutes of 2018.

Is Urgency: N

Summary: Current law requires the California State Auditor to notify the Joint Legislative Audit Committee whenever he or she identifies a local government as at high risk. Current law also requires that audits conducted pursuant to these provisions be approved by the Joint Legislative Audit Committee. This bill would authorize the California State Auditor to conduct an initial assessment at a local government agency prior to conducting an audit, during which he or she may gather publicly available information from a local government agency and any additional information that the local government agency is willing to provide, for the purpose of identifying whether or not it is a high-risk local government agency.

Summary: Existing law authorizes the California State Auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that the California State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. Existing law requires the California State Auditor to notify the Joint Legislative Audit Committee whenever he or she identifies a local government as at high risk. Existing law also requires that audits conducted pursuant to these provisions be approved by the Joint Legislative Audit Committee. This bill would authorize the California State Auditor to conduct an initial assessment at a local government agency prior to conducting an audit, during which he or she may gather publicly available information from a local government agency and any additional information that the local government agency is willing to provide, for the purpose of identifying whether or not it is a high-risk local government agency. The bill would require the California State Auditor, before beginning an initial assessment at a local government agency, to notify the Joint Legislative Audit Committee in writing which local government agency will be assessed. This bill contains other related provisions and other existing laws.

Laws: An act to amend Section 8546.10 of the Government Code, relating to state government.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1294 \(Bradford D\) Cannabis: state and local equity programs.](#)

Chapter Number: 794

Status: 9/26/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 794, Statutes of 2018.

Is Urgency: N

Summary: Would enact the California Cannabis Equity Act of 2018. The bill would authorize the Bureau of Cannabis Control, upon request by a local jurisdiction, to provide technical assistance, as defined, to a local equity program that helps local equity applicants or local equity licensees. The bill would, upon appropriation of funds by the Legislature, authorize an eligible local jurisdiction to submit an application to the bureau for a grant to assist local equity applicants and local equity licensees through that local jurisdiction's equity program.

Summary: The Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. This bill would enact the California Cannabis Equity Act of 2018. The bill would authorize the Bureau of Cannabis Control, upon request by a local jurisdiction, to provide technical assistance, as defined, to a local equity program that helps local equity applicants or local equity licensees. The bill would, upon appropriation of funds by the Legislature, authorize an eligible local jurisdiction to submit an application to the bureau for a grant to assist local equity applicants and local equity licensees through that local jurisdiction's equity program. The bill would require the bureau to review an application, and to grant funding to an eligible local jurisdiction, based on specified factors. The bill would require an eligible local jurisdiction that receives grant funds pursuant to these provisions to use the grant funds to assist local equity licensees in that local jurisdiction to gain entry to, and to successfully operate in, the state's regulated cannabis marketplace. The bill would require an eligible local jurisdiction that receives grant funds pursuant to these provisions to, on or before a specified date, submit an annual report to the bureau that contains specified information on the use of the grant funds and specified demographic data. This bill contains other related provisions and other existing laws.

Laws: An act to add Chapter 23 (commencing with Section 26240) to Division 10 of the Business and Professions Code, relating to professions and vocations.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1459 \(Cannella R\) Cannabis: provisional license](#)

Chapter Number: 857

Status: 9/27/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 857, Statutes of 2018.

Is Urgency: Y

Summary: The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. This bill, until January 1, 2020, would authorize a licensing authority to issue a provisional license if specified conditions are met. By requiring additional applications to be signed under penalty of perjury, the bill would expand the scope of the crime of perjury, and would thereby impose a state-mandated local program. The bill would require the provisional annual license to be valid for 12 months and would prohibit the license from being renewed.

Summary: The Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. This bill, until January 1, 2020, would authorize a licensing authority to issue a provisional license if specified conditions are met. By requiring additional applications to be signed under penalty of perjury, the bill would expand the scope of the crime of perjury, and would thereby impose a state-mandated local program. The bill would require the provisional annual license to be valid for 12 months and would prohibit the license from being renewed. The bill would require the provisions of MAUCRSA to apply to a provisional license in the same manner as to an annual license, except as specified. The bill would exempt the issuance of a provisional license from the California Environmental Quality Act. The bill would prohibit the refusal by the licensing authority to issue a provisional license or revocation or suspension by the licensing authority of a provisional license from entitling the applicant or licensee to a hearing or an appeal of the decision. This bill contains other related provisions and other existing laws.

Laws: An act to add and repeal Section 26050.2 of the Business and Professions Code, relating to cannabis, and declaring the urgency thereof, to take effect immediately.

SACA: Legislation of Interest to County Auditors 2018 SCO Conference with County Auditors

[SB 1498 \(Committee on Governance and Finance\) Local Government Omnibus Act of 2018](#)

Chapter Number: 467

Status: 9/27/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 857, Statutes of 2018.

Is Urgency: N

Summary: Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

Summary: (1) Existing law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral. This bill contains other related provisions and other existing laws.

Laws: An act to amend Sections 12463.1, 25502.5, 27230, 27263, 27293, 27294, 27320, 27321, 27322.3, 27323, 27327, 27329, 27397, 34090, 34093, 34852, 34855, 34857, 36522, 36802, 37107, 37547, 37607, 37683, 38400, 38406, 38741, 38780, 38782, 39501, 39560, 39564, 39573, 39574, 39901, 40537, 40538, 40539, 40603, 40604, 40804, 40806, 40812, 40813, 40814, 41204, 41205, 41602, 41603, 41605, 41608, 41609, 41610, 41611, 41803.7, 43625, 43626, 53343.2, 53398.60, 53398.61, 53398.75, and 54930 of the Government Code, to amend Section 469 of the Revenue and Taxation Code, and to repeal Section 36626 of the Streets and Highways Code, relating to local government.